

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS**

1800 Third Street, Suite 390  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 445-6000  
FAX (916) 323-6016

**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number 02-05****TO: All Eligible Jurisdictions and Interested Parties****DATE: March 13, 2002****NOTICE TO PUBLIC****SUBJECT: Questions and Answers from the 2002 CDBG General/Native American Application Training Workshops**

**Purpose of this memo:** To notify all eligible jurisdictions and interested parties of the answers to questions posed, but not answered, at the 2002/2003 General and Native American Allocation Application Training Workshops held in January and February 2002.

**JOINT APPLICATIONS**

- Q:** When jurisdictions submit a joint application for a program such as a Housing Rehabilitation Program or Homebuyer Assistance Program, do they have to specify how much will be spent in each jurisdiction?
- A:** Yes. Also, when preparing the application, remember to submit census data and other required data for both jurisdictions.

**NATIVE AMERICAN ALLOCATION APPLICATION**

- Q:** When submitting an application under the Native American Allocation, documentation or self-certification is required that the non-federally recognized Native American population in the target area is at least 51% of the total population in the target area. What does the self-certification consist of?
- A:** The self-certification is a statement made by the jurisdiction (applicant) that at least 51% of the population in the target area are Native American that are not recognized as an Indian Tribe by the federal government. It is up to the jurisdiction to determine the percentage.

**LIMITED CLIENTELE**

- Q:** Are seniors still limited clientele?
- A:** Seniors are still identified in Federal regulations as limited clientele. The State CDBG program recognizes that activities benefiting seniors are eligible CDBG activities. However, unlike the other federally recognized limited clientele groups, the State does not assume 100% low-income benefit for seniors. For rating and ranking purposes, a user

survey will be required to determine the actual TIG benefit. Note: If you are conducting a study under a

Planning and Technical Assistance grant for an activity that primarily benefits elderly persons, then it is not necessary to conduct a user survey of elderly persons because it is presumed that there is at least 51% TIG Benefit.

## COMMUNITY FACILITY

Q: How do we determine TIG benefit for a Community Facility or Public Service Activity?

A: Applicants can use one of the following methods to determine TIG benefit for a CF or PS activity:

- The activity is designed for a limited clientele group.
- The activity is income restricted to TIG and LTIG.
- If the public service or community facility service area is over 51% TIG or if the facility or service is targeted for a specific group of persons and not open to all residents of the service area, then a user survey following CDBG requirements can be used.

## PUBLIC WORKS

Q: CDBG funds can be used to pay for the capital improvement assessments for owner-occupied units, but not rental units. What about mobile home park residents? These residents own their mobile homes, but rent the space in the park.

A: CDBG funds can be used to pay the capital improvement assessments for residents of mobile home parks if the park is owned by the residents, each individual resident is assessed, and the resident owns the mobile home. CDBG funds may **not** pay assessments for a mobilehome park resident if he/she rents either the mobile home or the mobile home space. Also, assessments can not be prorated, so if the mobilehome park is assessed and this cost is then prorated to each mobilehome space, CDBG funds can not be used to pay for the prorated portion of the assessment.

Q: Can we apply under Public Works for final plans and specifications?

A: Yes. The activity description would include the entire public works project, which is what would be rated and ranked. The TIG Benefit score would be based on the TIG benefit of the Public Works activity.

## LEVERAGE

Q: We are going to apply for a Public Works activity. The construction financing will be provided by a bank. The “take-out” financing is bond financing; the bond will be issued by the jurisdiction and be purchased by USDA. CDBG will not count both construction and take-out financing. Is the leverage in this case considered private or federal?

A: For the purposes of rating and ranking, CDBG will count the construction financing as private financing. In other words, the application will be awarded Private Leverage points for the construction financing.

- Q: Is a funding commitment from a Special District acceptable?
- A: Yes, funding from a special district is local leverage. Please keep in mind that if the original source of the funding is federal or state, it will not be counted as leverage.
- Q: Can local Native American tribal funds be used for leverage?
- A: Yes, as long as the original source of the funding is not federal or state.
- Q: When will the \$10 per hour rate for sweat equity be raised?
- A: There are no plans to change this rate in the near future. Since everyone receives the same per hour rate it's the total number of hours that separates applicants.
- Q: Can we get leverage points for tax credits?
- A: Yes, tax credit equity is private leverage.

#### CITIZEN PARTICIPATION

- Q: How much time must elapse between the two public meetings that are held before the submittal of the CDBG application?
- A: CDBG recommends a minimum of 30 days to allow adequate time for citizen input from the first public hearing to be considered as the governing body seeks to identify the best use of CDBG funds.
- Q: How does the public know that a translator will be available at the public hearing?
- A: The public notice for the public hearing should state that a translator will be available. Also, the public notice should be published in other language(s), as appropriate.

#### PROJECT LOCATED IN AN ENTITLEMENT JURISDICTION

- Q: Can a non-entitlement County apply for a project that is located in an entitlement City?
- A: The prorated benefit to the entitlement jurisdiction must be determined, and that benefit will determine the entitlement jurisdiction's share of the total project cost. There is a fair share component to this determination because the entitlement jurisdiction receives its own entitlement CDBG funding and therefore must pay its fair share of the project costs.

#### ENVIRONMENTAL REVIEW REQUIREMENT FOR HOMEBUYER ASSISTANCE PROGRAMS

- Q: What is the environmental clearance level for a Homebuyer Assistance Program?
- A: The level of environmental clearance required for a Homebuyer Assistance Program (a down payment assistance program) is Categorically Excluded Not Subject to 58.5 if (1) the homebuyer is purchasing an existing home or (2) at the point in time that the homebuyer applies to the grantee for assistance, the house is under construction and at least the foundation is in place. If at the time the homebuyer has applied for assistance,

construction on the house has not begun, it would be Categorically Excluded Subject to 58.5 or an Environmental Assessment may be required, depending on the number of houses being constructed or the whether the entire housing development is reliant upon the CDBG funding. Please refer to the CDBG Grant Management Manual for further guidance or contact your CDBG representative if you have any questions.

## READINESS

- Q: For a Public Works application, if we have the plans and specifications completed, do we have to submit them with the application in order to get the readiness points?
- A: No, a letter from the engineer that prepared the plans and specifications is sufficient. The letter must state whether the plans are preliminary or final, or the stage of completion as of the submittal date of the application.

## RELOCATION

- Q: How long does the tenant have to be gone before relocation does not apply?
- A: A jurisdiction has to make a good faith effort to contact every person who may have been affected by a CDBG funded activity.

## CENSUS DATA

- Q: If an applicant believes that the 1990 census data submitted for “Need” does not accurately reflect the conditions in the jurisdiction or target area, then the applicant may submit supplemental documentation to dispute the 1990 census data (i.e., worsened Age of Housing or worsened Overcrowding data for a Housing Rehabilitation application). Can 2000 census data be used to dispute 1990 census data?
- A: At this time we will only be using 1990 census data. Supplemental data disputing the 1990 census data must be documentation that is not from the census.

## STATE OBJECTIVE POINTS

- Q: The NOFA states that up to 25 State Objective points will be awarded to jurisdictions that applied for CDBG funding but fell below the funding cut-off in the 2001 General Allocation competition. Doesn’t every applicant who applied last year but did not receive a grant get all of the 25 State Objective points available under Capacity Building?
- A: If a jurisdiction’s 2001 CDBG application was ranked below the funding cutoff and the applicant was not awarded “roll-over” funding after the initial awards were made, then this jurisdiction will be awarded the full 25 State Objective points for Capacity Building. If a 2001 CDBG applicant received partial “roll-over” funding, then in 2002, the applicant’s Capacity Building points will be prorated according to the amount of funding received under the 2001 funding cycle.
- Q: If my application is awarded Worst Case Housing State Objective points, does my activity have to continue to meet the criteria for Worst Case Housing for 5 years after the grant expires?

A: If your application was awarded Worst Case Housing State Objective points, and is funded under Community Facilities, for example a transitional housing project, then the community facility must meet the low income benefit as specified in the application until five years after the grant expiration date.

Q: What is the definition of severely substandard housing as stated in description of the Worst Case Housing State Objective?

A: The CDBG program will use The National Housing Act definition of substandard housing. Substandard housing is defined as a unit which is either dilapidated or does **not** have one of the following features:

- Hot and cold water inside the unit;
- Usable flush toilet inside the structure for the exclusive use of the occupants of the unit;
- Usable bathtub or shower inside the structure for the exclusive use of the occupants of the unit.

#### ACTIVITY DELIVERY BUDGET FOR HOUSING REHABILITATION

Q: Can we ask for more than 18% for activity delivery to cover increased costs resulting from lead based paint and State prevailing wage requirements?

A: Yes, however the applicant must provide a compelling reason or justification, which is documented and submitted with the application for review.

#### OTHER CDBG WORKSHOPS

Q: Will there be Economic Development and Labor Standards workshops held soon?

A: Economic Development and Labor Standards workshops are tentatively scheduled for the Summer and Fall of 2002.

#### REPORTS

Q: Do reports have to be received on the due date by HCD?

A: Yes.